

DEPARTMENT OF HEALTH SERVICES

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May 11, 2000

TO: Prospective Proposers

SUBJECT: REQUEST FOR PROPOSALS (RFP) 00-90227
TOBACCO EDUCATION MEDIA CAMPAIGN
ADDENDUM NO. 1

On May 8, 2000, the California Department of Health Services, Tobacco Control Section (CDHS/TCS) released RFP 00-90227 entitled "Tobacco Education Media Campaign." Since the release of the RFP, some changes were made and now need to be incorporated into your copy of the RFP.

Listed below are the replacement pages for your copy of the RFP. Please discard the original pages and insert the replacement pages. The shaded areas on these replacement pages indicate the changes.

Page Number

4-5	Conflict of Interest, dropped part of a sentence is added
8	On-Site Visit and Agency Presentation, scheduling time clarified
8	Capabilities Demonstration, clarifies one outdoor ad copy per page
9	Financial Records Review, outline format correction
10	Second Submission, outline format correction
10	Cost Proposal, format changes
11	Oral Presentation, typo and document format corrections
17	Attachments Table of Contents reformatted

We apologize for any inconvenience that these changes may cause.

This addendum will also be available on the CDHS/TCS website at www.dhs.ca.gov/tobacco in Portable Document Format (PDF file format).

Should you have any questions regarding this addendum, please fax your written questions to Russ Brown, Media Specialist, Tobacco Control Section, at (916) 322-2189.

Original Signed by Dileep G. Bal

Dileep G. Bal, M.D., Chief
Cancer Control Branch

cc: Local Lead Agencies
Regional Community Linkage Projects
Ethnic Networks
Competitive Grantees

II. STAGES OF THE PROPOSAL PROCESS

As stated earlier, the RFP process consists of five stages, each with a review component that will serve to narrow the field of eligible agencies throughout the process. This section contains the specific instructions for Stage 1, Stage 2 and Stage 3 and general instructions for Stage 4 and Stage 5. All of the instructions should be reviewed thoroughly. At the completion of each stage, agencies will be notified by telephone with a follow-up confirmation in writing as to whether they qualify to continue on to the next stage. Those agencies competing in Stage 4 and Stage 5 will receive additional instructions upon notification. All additional RFP-related instructions and information mailed to proposers will be incorporated as part of the RFP.

A. STAGE 1: PRELIMINARY ELIGIBILITY REQUIREMENTS (Scoring: Pass or Fail)

Stage 1 will identify those agencies that meet the basic requirements of the RFP. Agencies that provide one (1) original and three (copies) of all information requested below **no later than May 23, 2000, at 5 p.m.** and meet all of the minimum specified requirements will qualify to continue in the proposal process. Written responses should be placed in the same order as the following outline:

1. Cover Page

Complete the Stage 1 Cover Page (*Attachment B*).

2. California Office

Provide documentation demonstrating that the proposer currently has a full service California-based office to service this account.

3. Gross Billings

Provide a signed statement that the agency had at least \$20 million in gross billings per year in calendar years 1997, 1998, and 1999 from its California-based office that would service the CDHS/TCS account. This signed statement should include the actual billings for each calendar year and the projected annual billings for 2000.

4. Guaranty Provision

If the agency is a subsidiary corporation, CDHS/TCS requires a signed guaranty that the Parent Corporation would honor the contract awarded from this RFP. The full requirements for this provision can be found in *Attachment C*.

5. Conflict of Interest

Any agency contracting with CDHS/TCS is required to provide a statement that its operation is not in the position to be involved in any exchange of information with the tobacco industry or with any other agency working closely with the tobacco industry. The applying agency should assess its own situation according to the Conflict of Interest Compliance Certificate in *Attachment D* and sign and return the Conflict of Interest **certification Certificate** only if reasonably certain that no such conflict exists. In the event that an **applicant agency has a relationship with the tobacco industry, the applicant needs to**

provide a written statement to CDHS/TCS that describes the relationship it has with the tobacco industry and its plan for protecting CDHS/TCS from any exchange of information.

In Stage 1, the State reserves the right to allow a proposer to participate in subsequent stages while requesting additional clarification and documentation regarding the Conflict of Interest requirements or any other RFP requirement. If the additional clarification and documentation do not, at the State's sole determination, satisfy the State's requirements to be protected from a potential Conflict of Interest, the proposer will be notified in writing and will not be allowed to participate further in the RFP review.

Preliminary Eligibility Requirement submissions will be reviewed based upon the above five components to determine whether individual agencies meet the most basic requirements of the RFP. Submissions for Stage 1 will be graded on a "Pass" or "Fail" basis. Only those agencies that meet all of the Preliminary Eligibility Requirements will advance to participate in Stage 2 of the RFP process.

B. STAGE 2: AGENCY CAPABILITIES
(Scoring: 50 points possible)

All agencies that respond to Stage 1 and successfully pass the preliminary eligibility requirements will be contacted and invited to demonstrate Agency Capabilities. Agencies receiving confirmation they have passed Stage 1 should submit one (1) original and five (5) copies of a written response to the requests stated below **no later than June 7, 2000, at 5 p.m.** Use and include the Stage 2 Table of Contents found in *Attachment E*.

1. Executive Summary

On no more than five pages, describe how your agency will provide full service capability, including, but not limited to: account service, creative staff, market research, advertising evaluation, media planners/buyers, production planning and execution, and expert advice on key trends and issues in advertising and social marketing. Describe the strengths of your organization, including historical accomplishments, account leadership, and experience with outreach to ethnic communities. From the agency's own understanding of the tobacco control challenge in California, describe what CDHS/TCS needs from its media campaign. Explain how your organization will help achieve the goals of CDHS/TCS, and note any plans to meet obligations through subcontractors (subcontractors need not be identified at this time).

2. Agency Personnel

The proposer shall provide resumes of technical and professional staff who will be assigned to the CDHS/TCS account, no more than two (2) pages per employee. Include staff or proposed consultant that would be responsible for Screen Actor's Guild and American Federation of Television and Radio Artists negotiations. These resumes shall include the following:

- a. Name, title and current office address.
- b. Differentiate between staff or consultant employment for each position held.

during the initial start-up period. *Such a letter is necessary only if borrowing will provide any or all of the monies necessary to meet initial expenses.*

Responses to the eight Agency Capabilities components above will be scored on a 50 point basis. Only agencies receiving a score of at least 35 points for Stage 2 will advance to the next stage of the RFP process.

C. STAGE 3: ON-SITE VISIT AND AGENCY PRESENTATION
(Scoring: 100 points possible)

Each agency that responds to Stage 2 and scores at least 35 points in the review process will be contacted to schedule a time ~~between June 12 and June 16, 2000~~ on any day from June 12 through June 16, 2000 when CDHS/TCS representatives can visit the agency. The purpose of each visit will be: 1) to tour the agency facility and meet personnel that may be assigned to the account, 2) to allow an opportunity for agency staff and CDHS/TCS representatives to discuss the goals and objectives of the RFP, and 3) for CDHS/TCS representatives to observe a Capabilities Demonstration and a Case History Presentation by the agency team. The two presentation components are outlined below:

1. Capabilities Demonstration

This portion of the presentation will give the agency a chance to highlight a variety of its accomplishments. Through visual materials and oral descriptions, team members shall provide CDHS/TCS with a flavor of the agency's strategic and creative capabilities.

Two copies (in 8½- x 11-inch format) of creative work samples developed by the California-based office servicing this account will be made available for CDHS/TCS representatives to retain. For each advertising sample, list the marketing objective, the target market, the creative strategy, and the creative team, indicating the persons based in the California office who would service the CDHS/TCS account. Samples shall be work that was completed after January 1, 1997. Include the following:

- a. Five (5) television ads on a single half-inch VHS reel.
- b. Five (5) radio ads on the same VHS reel.
- c. Five (5) print ads (newspaper and magazine)
- d. Five (5) outdoor ads (~~presented in a format that fits on an 8½ x 11 page~~) (each ad should fit on an 8½- x 11-inch page)
- e. Three (3) additional items that the agency chooses that illustrate the proposer's unique creative strengths.

2. Case History Presentation

The agency is to select one particular campaign its California-based team designed and implemented, and present the details of that campaign from beginning to end. Two copies of any executions for television, radio, print and/or billboards for the presented campaign, as well as any collateral materials, will be given to the CDHS/TCS team to retain. The presentation should include:

- a. Key facts from background market research and analysis.

- b. Other considerations, e.g., budget, competition, organizational and environmental constraints.
- c. Identification of target markets, including approximate audience size, age range, language, and culture/ethnicity.
- d. Media objectives.
- e. Creative strategy/positioning.
- f. How the campaign was evaluated and the results.

Scoring of the On-Site Visit and Agency Presentation will be based upon the above two components and scored on a 100 point basis. Only agencies receiving a score of at least 70 points for Stage 3 will advance to Stage 4 of the RFP process.

D. STAGE 4: THE ASSIGNMENTS
(Scoring: 150 points possible)

Each agency that participates in Stage 3 and scores at least 70 points in the review process will be contacted and invited to submit the following materials. This stage requires participating agencies to make two separate submissions in order to be scored. First, the agency shall submit two (2) copies of its financial records, according to the criteria described below, **by no later than June 30, 2000, at 5 p.m.** Second, the agency shall submit one (1) original and twelve (12) copies of a written response to the Assignments described below **by no later than July 20, 2000, at 5 p.m.** The two submissions will be scored together. **More detailed instructions regarding the Financial Records Review and the Assignments will be mailed out to the participating agencies.**

1. First Submission – due June 30, 2000, at 5 p.m.

a. Financial Records Review

Each proposer must submit one of the following:

- Certified financial statements in customary form for its last three years and quarterly reports to shareholders, if any, for the current fiscal year as required by the Securities and Exchange Commission; **or**
- Financial statements for its last three years reviewed by an independent third-party Certified Public Accountant (CPA) and quarterly reports to shareholders, if any, for the current fiscal year as required by the Securities and Exchange Commission; **or**
- Internal Revenue Service tax return records for its last three years and quarterly reports to shareholders, if any, for the current fiscal year as required by the Securities and Exchange Commission.

Certified financial records shall be the result of an audit of the proposer's records in accordance with generally accepted auditing standards by a CPA licensed to do business in the State of California or in the state in which the proposer's principal place of business is located if other than California. CDHS/TCS reserves the right to require any additional information necessary to determine the financial integrity and responsibility of a proposer.

Financial records received by CDHS/TCS will be kept confidential and will be destroyed at the time of the posting of the Notice of Intent to Award a Contract.

2. Second Submission – due July 20, 2000, at 5 p.m.

a. Campaign Assignment

Using a narrative format, the agency will be assigned to:

- **develop a written plan** for an advertising campaign based upon a real challenge in California's tobacco education effort.
- based on the plan, gather information and formulate a **powerful strategy** that demonstrates the agency's understanding of California's tobacco control challenge.

(Each agency that successfully completes this assignment and scores well enough to move on to Stage 5 will be asked to develop a campaign based upon the plan and strategy they developed and present it before a review panel during Stage 5 of the proposal process).

b. Cost Proposal Assignment

The agency will complete the Cost Proposal form (to be mailed June 21, 2000, by State to agencies successfully completing Stage 3), which outlines the pricing methods used by the organization agency. **(The Cost Proposal will be evaluated based on cost-effectiveness, cost competition, and best value of its services.)**

The response to this Cost Proposal may be incorporated verbatim into the contract with the agency selected. Therefore, it is in the interests of both CDHS/TCS and your agency to be as clear and specific as possible.

c. Budget Summary Assignment

The Budget Summary allows agencies to propose the distribution of funds for the production and placement of the various campaigns. Based on five (5) annual budgets of \$25 million, provide an annual Budget Summary, including proposed budgets for specific campaigns or target audiences and subcontractors' budgets, if any. It is important to keep in mind that all subcontractor, vendor and freelance advertising work will be paid out of the lead agency's funding. The Budget Summary will be evaluated based on the degree to which budget allocations demonstrate an understanding of CDHS/TCS goals and priorities and address the requirements of the Scope of Work. The proposer must use the Contract Budget Summary format (to be mailed by State to agencies successfully completing Stage 3) and complete all unshaded blanks that apply to your proposal.

The above components will be reviewed and scored on a 150 point basis. Only agencies receiving a score of at least 105 points total will advance to the next stage of the RFP process.

E. STAGE 5: ORAL PRESENTATION

(Scoring: 100 points possible)

Each agency that participates in Stage 4 and scores at least 105 points in the review process will be contacted and invited to make an Oral Presentation **on either August 17 or 18, 2000. At the Oral Presentation, finalists will present the details of the campaign strategy developed in Stage 4.** This will be done before a review panel, and panelists will also ask clarifying questions regarding the Cost Proposal and Budget Summary submitted at Stage 4. **More detailed instructions regarding the Oral Presentation will be mailed out to the participating agencies.** The following information on the Oral Presentation is included to help participants begin organizing their ideas:

1. Duration and Location

It is anticipated that oral presentations will be conducted in Sacramento and will last up to two (2) hours. Account management, creative personnel, and media placement staff shall play a major role in the presentation.

2. Preparation

Finalists should be prepared to develop an oral presentation based on the campaign assigned in Stage 4. At the time of finalist notification or on the day of the oral presentation, CDHS/TCS may require finalists to develop an oral presentation based on an additional case study. Presentation of creative ideas shall be limited to storyboards, which can be of the stick figure type.

3. Components of the Presentation

Oral Presentation should include:

- a. General approach of the campaign.
- b. The media campaign objectives, strategies and rationale.
- c. Media selection, weight level and timing rationale.
- d. How success of the campaign will be determined.
- e. Why CDHS/TCS should award the contract to your agency.

The above components will be reviewed and scored on a 100 point basis. Only agencies receiving a score of at least 70 points total will be eligible for final consideration.

F. AWARDING OF CONTRACT

The total points for Stages 2 through 5 – a possible score of 400 – will be combined at the completion of the review process. The agency that achieves a score of at least 280 and receives the highest overall score will be awarded the contract. Should two (2) or more finalists tie with the highest points, the finalist with the highest oral presentation score will be awarded the contract. If two or more of the oral presentation scores tie, the State will request from the tied finalists a best and final offer.

A Notice of Intent to Award a Contract identifying the selected Contractor will be posted at the CDHS' Contract Management Unit for five (5) working days prior to the deadline for contract

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for

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